FINANCE DEPARTMENT

Mission Statement:

The Finance Department provides leadership to the City of Minneapolis by protecting, planning and managing the use of its financial resources.

Primary Businesses:

- Executive Finance: Makes enterprise-level financial decisions; provides financial advice to the Mayor, City Council, departments and agencies; and represents the City to key external customers and partners.
- Management and Budget: Provides objective professional support on major strategic and financial initiatives that inform decision-making, including budget development and project management.
- Accounting: Serves key stakeholders (city government, citizens, taxpayers, employees) by processing transactions; administering the financial database; analyzing and interpreting financial information; and creating financial management solutions
- Procurement: Provides procurement of required equipment, supplies and services for the City and related boards including Contract Management.
- Risk Management: Creates and promotes a safe and supportive work environment, preserves city assets and reduces financial exposures.
- Treasury: Ensures proper, accurate and timely service activities for invoicing, collecting, receipting, depositing, forecasting and investing and disbursing all monies. Ensures that strong relationship management and customer services are at the forefront of each service activity.

Key Trends and Challenges Impacting the Department:

The key trends and challenges that impact the Finance Department include:

- 1. A major initiative to improve accounting policies, practices and procedures citywide is being undertaken simultaneously with planning and implementing the most wide reaching changes in accounting standards for state and local governments (GASB 34).
- 2. Financial management has become a high priority for the newly elected Mayor and City Council. The Finance Department has responded to this focus with a realignment of resources to support the City's elected leadership in financial planning and decision-making.
- 3. Like all City departments the Finance Department expects continued constrained growth in future resources. Constrained resources calls for greater efforts by management and employees to make process improvements that result in achieving desired outcomes with fewer resources.
- 4. Department efficiency, productivity and cohesiveness is challenged by a lack of physical proximity. Personnel are located in 15 different locations.
- 5. The Department is challenged by other City businesses to improve financial reports for managing daily operations.

The Finance Department has responded to these trends and challenges with the following actions:

- 1. The City and the Department have allocated considerable resources to planning and implementing new accounting standards on time and within budgeted funds as well as making considerable improvement in upgrading basic accounting practices across all accounting units.
- 2. To respond to the City's elected leadership's focus on financial issues the Finance Department combined budget and management services into a better staffed Management and Budget Division; this newly created Division focused its Director's efforts solely on strategic financial planning and decision support.
- 3. Reduced general fund support for the Finance Department has been managed through reductions due to process improvements (paperless payroll initiative and payroll) and reduced services to customer departments in space and asset management, management analysis services, and budgeting.
- 4. Space consolidation plans have been made; however, these plans will not be implemented until 2003 at the earliest.
- 5. Financial reports to managers have improved after interviewing senior managers in departments, however, additional progress in this area is constrained by the efforts placed on planning and implementing the new accounting standards (GASB 34), which have higher priority in 2002.

Key Enterprise Outcome Measures Influenced by the: Finance Department

- 1. Increase the consistency of elected officials' tax-related decisions with a comprehensive municipal tax policy.
- 2. Increase the percentage of City general fund resources coming from other sources than property taxes.
- 3. Increase the percentage of departments, which achieve proposed annual target levels within existing budget.
- 4. Increase the percentage of elected official decisions and management decisions based on performance measurement data.
- 5. Increase the percentage of departments using a City standard business plan to increase alignment with City goals.
- 6. Increase percentage of people who live and work in Minneapolis that report satisfaction with City services.

Performance Data for Key Enterprise Outcome Measures:

	2000 Actual	2001 Actual	2002 Estimated	2003 Planned	2003 Approved
City of Minneapolis credit rating	AAA x 3	AAA x 2 AA1 x 1	AAA x 2 AA1 x 1		
Existence of a long term, comprehensive tax policy	No	No	Mayor/Council adoption of comprehensive tax policy in July	Consist application of comprehensive tax policy	Consist application of comprehensive tax policy
% of general fund revenues from sources other than property tax	76.50%	74.44%	75.00%	75.00%	75.00%
% of departments & % of total general fund spending	75% departments	80% of departments	80% of departments	85% of departments	85% of departments
within original budget the previous year	100% of general fund spending	100% of general fund spending	100% of general fund spending	100% of general fund spending	100% of general fund spending
% of departments and elected officials who report using performance measures to inform decision making on a regular basis	N/A	N/A	N/A	Survey planned for 2003	Survey planned for 2003
% of departments with an up-to-date business plan that is consistent with the citywide business planning model	N/A	N/A	2 pilots planned by end of 2002*	N/A	N/A

%of citizens who rate					
Minneapolis as good or very	N/A	54%	N/A	Citizen survey	Citizen survey
good in providing value for	IN/A	J4 /0	IN/A	planned for 2003	planned for 2003
their tax dollars					

Explanation of Performance Data for Key Enterprise Outcome Measures:

Primary Business: Executive Finance

(Service activities and performance measures sorted by business)

<u>Service Activity:</u> Provide strategic financial advice to City decision-makers and make certain enterprise-level decisions.

Description:

Key Performance Measures:

	2000 Actual	2001 Actual	2002 Estimated	2003 Planned	2003 Approved
City of Minneapolis credit rating	AAA x 3	AAA x 2 AA1 x 1	AAA x 2 AA1 x 1		

Explanation of Key Performance Measures:

Primary Business: Management and Budget

(Service activities and performance measures sorted by business)

<u>Service Activity:</u> Provide project management, including business process redesign, research and analysis, and best practice review.

Description:

Key Performance Measures:

	2000 Actual	2001 Actual	2002 Estimated	2003 Planned	2003 Approved
% of projects that are acted upon by Mayor and City Council or applicable departments	N/A	N/A	80%		
% of projects completed that will result in identifiable increases in revenue or decrease in expenses	N/A	N/A	80%		

Explanation of Key Performance Measures: The Management and Budget Division is in the process of identifying key performance measurements that quantify the effectiveness of work completed versus tracking the output or number of projects/reports completed. The 80-percent figure included above is a preliminary estimate.

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^{*} All departments have gone through a process to identify their mission, primary businesses, service activities, and key performance measures, although much work and refinement needs to be done. Development of a complete business planning model and handbook is currently underway and will be piloted in the 3rd and 4th quarters of 2002.

Service Activity: Provide financial planning and budgeting services.

Description: This includes assisting the Mayor in developing a budget recommendation and the City Council in final budget adoption.

Key Performance Measures:

	2000 Actual	2001 Actual	2002 Estimated	2003 Planned	2003 Approved
Obtain the Government Finance Officers (GFOA) Certificate of Achievement for Excellence in Budgeting.	Did not apply	Applied for, but did not receive award.	Award notice pending.	Achieve award recognition.	Achieve award recognition.
% of General Fund revenue recognized (actual) compared to original budget projection:	Total: 106.5%	Total: 105.73%	Total:105.73%	Total: 105.73%	Total: 105.73%
Fines and Forfeits Licenses and Permits Property Taxes Franchise Fees	108.75% 119.55% 101.27% 109.6%	110.21% 111.5% 100.4% 131.15%	110.21% 111.5% 100.4% 131.15%	110.21% 111.5% 100.4% 131.15%	110.21% 111.5% 100.4% 131.15%

Explanation of Key Performance Measures: Other related performance measurement information that relates to financial planning and budget is included in the enterprise information at the beginning of this report for the Finance Department.

Service Activity: Provide payroll processing services.

Description: Central payroll processing services is part of the Management and Budget Division, although both the Accounting and Treasury Divisions in Finance also have direct involvement with payroll processing.

Key Performance Measures:

	2000 Actual	2001 Actual	2002 Estimated	2003 Planned	2003 Approved
% of employees paid electronically	72.48%	73.37%	79.20% avg. year to date	85-88%	85-88%
% payroll payments issued without corrections	99.91%	99.98%	99.94% to date	99.99%	99.99%

Explanation of Key Performance Measures:

<u>Service Activity:</u> Assist departments in the development of business plans and performance measures, which support citywide efforts and strengthen department management

Description:

Key Performance Measures:

	2000 Actual	2001 Actual	2002 Estimated	2003 Planned	2003 Approved
% of departments and elected officials who report using performance measures to inform decision making on a regular basis	N/A	N/A	N/A	Survey planned for 2003	Survey planned for 2003
% of departments with an up-to-date business plan that is consistent with the citywide business planning model *	N/A	N/A	2 pilots planned by end of 2002*	N/A	N/A
% City employees that report an understanding of how they contribute to the City Goals.	N/A	N/A	N/A	Will be in discussions with HR to do an Employee engagement	Will be in discussions with HR to do an Employee engagement

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				survey in 2003	survey in 2003
# of managers participating in performance measurement/business planning training and % expressing satisfaction with the training.	N/A	193 trained 96% reporting satisfaction 61% reporting confidence in City's ability to address barriers to implementation	N/A	Additional training planned in 2003 as part of business planning process	Additional training planned in 2003 as part of business planning process
Total \$ value of city contracts with consultants for business planning services.	N/A	N/A	N/A	Survey planned for 2003	Survey planned for 2003

Explanation of Key Performance Measures: * All departments have gone through a process to identify their mission, primary businesses, service activities, and key performance measures, although much work and refinement needs to be done. Development of a complete business planning model and handbook is currently underway and will be piloted in the 3rd and 4th quarters of 2002.

Primary Business: Accounting

(Service activities and performance measures sorted by business)

Service Activity: Process transactions

Description: This includes paying bills, assisting departments and the budget office with budget development, billing customers, and processing and auditing payroll.

Key Performance Measures:

	2000 Actual	2001 Actual	2002 Estimated	2003 Planned	2003 Approved
% of all valid transactions authorized, approved and paid within 30 days of invoice receipt	No exceptions noted	No exceptions noted	N/A	100% compliance	100% compliance

Explanation of Key Performance Measures: This is measured through a sample audit.

Service Activity: Administer the financial database

Description: This includes performing general accounting and account reconciliations; establishing and maintaining accounting policies and procedures; administering FISCOL; and establishing and executing internal controls.

Key Performance Measures:

	2000 Actual	2001 Actual	2002 Estimated	2003 Planned	2003 Approved
% of accounts identified on the close checklist	N/A	<30%	50%	60%	60%

Explanation of Key Performance Measures: This is measured by review the close checklist.

Service Activity: Analyze and interpret financial information

Description: This includes performing reporting (monthly, quarterly, annual, prospective, ad hoc); mining information from the corporate database; and performing financial trend analysis.

Key Performance Measures:

	2000 Actual	2001 Actual	2002 Estimated	2003 Planned	2003 Approved
Receipt of an unqualified audit opinion	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified
% monthly reports prepared prior to completion of the subsequent month	N/A	N/A	75% (100% from April)	100%	100%
% quarterly reports available within 45 days of quarter end	N/A (enterprise reports performed)	N/A (proprietary special revenue reports performed)	100%	100%	100%
Date of submission of CAFR to GFOA (Goal June 30th)	June 30th	June 28th	June 26th	June 24th	June 24th
Date of submission of OSA compliance report (Goal June 30th)	June 30	June 28	June 26	June 24th	June 24th

Explanation of Key Performance Measures:

Service Activity: Create financial management solutions

Description: This includes consulting department management on budget options; developing rate models for cost recovery; providing financial management support for grants and projects; advising department on key decisions; and using a variety of analytical tools to explain amount, timing and uncertainty of past and future cash flows related to policy and operational decisions.

Key Performance Measures:

	2000 Actual	2001 Actual	2002 Estimated	2003 Planned	2003 Approved
Pro forma available for CLIC, Budget Book, and Rate-setting	All deadlines met	2 of 3 deadlines met	All deadlines met	All deadlines met	All deadlines met
Date of execution of approved indirect cost plan (Goal May 30th)	May 30th	May 30th	May 25th	May 23rd	May 23rd

Explanation of Key Performance Measures:

Primary Business: Procurement

(Service activities and performance measures sorted by business)

Service Activity: Procurement

Description:

Key Performance Measures:

	2000 Actual	2001 Actual	2002 Estimated	2003 Planned	2003 Approved
Percent of formal bids completed with Council Approval within an average of 30 days of initial solicitation.	100% avg. 24 days	100% avg. 24 days	Less than 30 days	Less than 30 days	Less than 30 days
Number and dollar value of formal bids processed.	265 formal bids for \$113 million	228 formal bids for \$81 million	Estimated 240 formal bids for \$65 million	Estimated 240 formal bids for \$65 million	Estimated 240 formal bids for \$65 million

Explanation of Key Performance Measures:

Service Activity: Contract management

Description:

Key Performance Measures:

	2000 Actual	2001 Actual	2002 Estimated	2003 Planned	2003 Approved
Number of new contracts processed					
a)\$50M or less b)over \$50M	987 286	1,139 331	1,230 370	1,200 350	1,200 350
% of time contracts turned around in 24 hours	N/A	N/A	95%	95%	95%
Number of individuals trained and percent expressing satisfaction.	122 100%	155 100%	200 100%	150 100%	150 100%

Explanation of Key Performance Measures: Training provided in conjunction with updates to the Professional Services manual and as needed for contract administration. Training is provided as needed for new individuals and for any upgrade in conjunction with FISCOL administration.

Primary Business: Risk Management

(Service activities and performance measures sorted by business)

<u>Service Activity:</u> Work with departments on education and compliance in the area of loss prevention and claims administration.

Description: This includes education and compliance with federal and state legislation, rules and regulations regarding OSHA, workers' compensation, re-employment and tort claims.

Key Performance Measures:

	2000 Actual	2001 Actual	2002 Estimated	2003 Planned	2003 Approved
WC paid wage substitution	\$2,325,560	\$2,482,845	\$2,600,000		
WC paid medical benefits	\$2,318,683	\$2,236,678	\$2,204,376		
Tort claims: # claims filed	694	863	761		
Tort claims: \$ claims value	\$1,261,226	\$1,054,614	\$1,083,830		
Tort claims: # claims paid	243	249	253		
Tort claims: \$ claims paid	\$417,617	\$364,721	361,563		

Explanation of Key Performance Measures: Quarterly Reports will be provided to each department to provide a baseline to target their self-audits, trainings, risk assessments and/or hazard analysis evaluations.

<u>Service Activity:</u> Provide leadership on asset preservation (human & financial), including policies and practices to make behavioral changes throughout City Departments.

Description: Develop an actuarial-based cost allocation formula to promote risk control. Develop a Loss Prevention rating scale to be added to City Department Annual Performance Evaluations.

Key Performance Measures:

	2000 Actual	2001 Actual	2002 Estimated	2003 Planned	2003 Approved
% of Depts. completing annual self-audits that measure compliance with State & Federal regulations			25%		
# of trainings conducted on cost reduction & claims administration					
% of Depts. implementing loss control strategies			50%		
% of Depts. with a Loss Prevention rating scale on Performance Evaluations					

Explanation of Key Performance Measures: As a consulting function, this Division will assist Departments in developing tools to be used for their self-audits, identification of risk areas, and strategies to reduce human and financial losses.

Primary Business: Treasury

(Service activities and performance measures sorted by business)

Service Activity: Ensure accurate and efficient cash management processes.

Description: Accurately report, document and process all cash transactions for the City of Minneapolis and component units, while adhering to strong internal controls. Establish, process, receipt, and approve receivables with proper attention to delinquent accounts. Accurately monitor, receipt, and report special assessment payments in a timely manner. Continually increase utilization of e-commence activities.

Key Performance Measures:

	2000 Actual	2001 Actual	2002 Estimated	2003 Planned	2003 Approved
Accuracy percentage rate of Central Counting Facility vault balance.	99.9%	99.9%	99.9%	99.9%	99.9%
Percentage of revenues collected electronically.					
Percentage of disbursements paid electronically.		46%	60%	65%	65%

Explanation of Key Performance Measures: The electronic receipt of revenues demonstrates that the funds are available for usage in a more efficient and cost effective manner. The electronic disbursements of funds provides the City with greater accuracy of cash balances and provides increased customer service.

<u>Service Activity:</u> Effectively administer the City Utility Billing System

Description: Administer water-metering services and perform billing, collection and customer service functions for the City's Water, Sewer and Solid Waste services.

Key Performance Measures:

	2000 Actual	2001 Actual	2002 Estimated	2003 Planned	2003 Approved
% of meters read on a monthly basis (goal 95%)	90%				
% of accounts billed within 4 working days of meter reading (goal 100%)					
% of revenue on active accounts collected within 90 days of billing.					
% of inactive accounts assessed to the property within 18 months of final billing (goal 98%)					
% of telephone calls responded to within 30 seconds.					

Explanation of Key Performance Measures: Enhanced technology will increase accessibility for customers and reduce telephone inquiries.

<u>Service Activity:</u> Invest all cash reserves on a daily basis for optimum yield, safety and liquidity.

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Description: Daily oversight of internal investment portfolio and external investment managers and ensuring proper investment selection and earnings are within the established policy. Maintain an enterprise cash forecast utilizing future-funding requirements that support the City's strategic objectives.

Key Performance Measures:

	2000 Actual	2001 Actual	2002 Estimated	2003 Planned	2003 Approved
% short term internal (liquidity) investment portfolio that achieve yields in excess of 90-day Treasury bill annualized					
% of short term investments that are invested in securities other then money market funds.					
% of bank and trust reconciliations completed within 30 days of period end.					
% of accuracy of the annual cash forecast to actual.					

Explanation of Key Performance Measures:

Summary of Finance Department General Fund Target Strategies, 2000-2002

2000 Adopted Budget

Description

- Eliminate Administrative Analyst and Governmental Relations Representative
- Cut subscription costs
- Reallocate some of the cuts to provide additional resources for Space and Asset Management, FISCOL, and contractual services related to the new financial reporting model.

Amount of Reduction

Total Reduction: \$182,889

Amount of Reduction Requested: \$182,457

Difference: \$432

2001 Adopted Budget

Description

- Elimination of Payroll Clerk II and Account Clerk I
- Reduce professional services and administrative supplies budget

Amount of Reduction

\$98,080

\$79,387

Total Reduction: \$177,467

Amount of Reduction Requested: \$177,467

2002 Adopted Budget

<u>Description</u> <u>Amount of Reduction</u>

Eliminate 1.0 Budget Analyst \$55,000
 Base Reduction \$150,000
 Shifting of Costs to Water Fund \$250,000

Total Reduction: \$455,000 Amount Requested: \$268,561

Difference: \$186,439

Reduce funding for Management Analysis

Division (MAD) \$100,000

Mandatory Direct Deposit \$55,000

Eliminate Space and Asset Division \$250,000

Total Reduction: \$405,000

Amt. Of Reduction Requested: \$135,000

Difference: \$270,000

Total 2002 Difference: \$456,439

FTE Changes

In addition to the budget initiatives listed above, the Department has streamlined management by eliminating 5.0 Director-level positions since the 2001 budget.

Financial Analysis:

Expenditures

The City Council adopted budget has total Finance Department expenditures increasing by 2.37 percent, across all funds. In the General Fund, the Council adopted the Department's budget decrease of approximately \$51,000 over the 2002 adopted amount, equating to a General Fund decrease of approximately 0.88 percent.

The majority of 2003 increases in the Department's General Fund budget were offset by the \$400,000 in target reductions implemented as part of the \$5.2 million reduction passed in January of 2002. As with other City departments the largest expenditure increases are found in salaries and fringe benefits, which increased 7.41 percent and 3.64 percent, respectively. Non-personnel spending decreased in contractual services by 16.04 percent and operating costs increased by 9 percent. The large decreases in non-personnel are directly tied to the Department's January 2002 target cut.

Revenues

The Finance Department's CSL includes \$4.87 million in estimated revenue. The largest source of revenue for the Department, approximately 98 percent, is charges for the City's water service, which is estimated at \$4.79 million for 2003.

The budget for this department includes \$343,000 in CDBG funding. This represents a \$4,000 increase, or approximately 1 percent, over the 2002 adopted amount. This appropriation covers 3.3 FTE's who work on CDBG-related activities.

Fund Allocation

The Finance Department has expenditures in sixteen different City funds. The two largest funds for the Department are the General Fund and the Water Fund, with 35.76 percent and 29.96 percent of the Department's budget, respectively. The Department's General Fund budget totals approximately \$5.8 million for 2003, while the Water Fund budget is currently at approximately \$4.8 million.

FTE Changes

The Department's FTE total decreased by 3.0 FTE's from the 2002 adopted level. These three positions were eliminated as part of the 2002 target process and were 2.0 FTE's associated with the City's Space and Asset Management function and 1.0 FTE, which was part of the Department's Management Analysis Division. The Department's CSL includes 200 FTE's.

Summary of Target Strategies:

2 percent strategy (\$116,860): Reduce professional services and defer recruitment when filing vacant positions. Each of these actions will contribute equally to meet this Target Strategy.

4 percent strategy (\$230,000): The 2 percent strategy actions plus eliminate two positions in the Department.

Title: Reduction in professional services (GASB 34) and deferred recruitment

Fund # 0100	Agency # 8220	Organization # 5070
Fund # 0100	Agency # 8230	Organization # 4000

<u>Fund</u> 0100	<u>Cost</u> (\$58,000)	Revenues \$0	FTE's	Job Titles/Other related costs Reduction in professional services (GASB 34)
0100	(\$58,000)	\$0		Deferred recruitment

Mayor's Recommendation:

The Mayor recommends this target strategy.

Council Adopted:

The Council concurs with the Mayor's recommendation.

Expense: (\$116,860) **Revenue:** \$0

Proposal Description: This target strategy will be achieved by a reduction in the Department's professional services budget, which funds the current GASB 34 project, and deferred recruitment for vacant positions.

Describe how the proposal impacts your service activities and performance measures: This target strategy can be implemented without any reductions in the current level of service provided to the Finance Department customers. There would be a one-month lag in filling the Department's vacant positions.

The professional services reduction of \$58,000 is funding for the City's GASB 34 project. The reduction in this spending area would result in the Department being able to employ fewer consulting hours for this project.

Title: Reduction in professional services (GASB 34) deferred recruitment and elimination of 2.0 positions.

Fund # 0100	Agency # 8220	Organization # 5070
Fund # 0100	Agency # 8220	Organization # 4000
Fund # 0100	Agency # 8230	Organization # 4000

Fund 0100	<u>Cost</u> (\$50,000)	Revenues \$0	FTE's	Job Titles/Other related costs Reduction in professional services (GASB 34)
0100 0100	(\$50,000) (\$130,000)	\$0 \$0	(2.0)	Deferred recruitment Elimination of 2.0 positions

Mayor's Recommendation:

The Mayor does not recommend this target strategy.

Council Adopted:

The Council concurs with the Mayor's recommendation.

Expense: \$0 Revenue: \$0

Proposal Description: The 4 percent strategy will be achieved by a \$50,000 reduction in the Department's professional services budget, deferred recruitment for vacant positions (estimated \$50,000 savings) and the elimination of two positions. The Financial Management & Budget Division and Controller Division would each eliminate one position.

Describe how the proposal impacts your service activities and performance measures: This target strategy can be implemented without any reductions in the current level of service provided to the Finance Department customers.

The elimination of 2.0 positions would cause a reduction in the service to strategic (Mayor and Council) and managerial (department managers) customers. Reductions in service will take the form of slower response to questions and information and less capacity for the analysis that supports decision-making.

FINANCE DEPARTMENT Expense Information

	2000 Actual	2001 Actual	2002 Adopted Budget	2003 Adopted Budget	% Change 2002 to 2003	Change 2002 to 2003
Capital Projects						
Contractual Services	19,316	-293	250,000	0		-250,000
Equipment	1,770	327	0	0		0
Fringe Benefits	92,279	105,790	0	7,266		7,266
Operating Costs	4,594	3,081	1,005,798	1,006,363		565
Salaries and Wages	379,474	402,984	0	0	0.0%	0
Total for Capital Projects	497,433	511,890	1,255,798	1,013,629	-19.3%	-242,169
Enterprise Funds						
Capital Outlay	0	3,621	26,000	26,520		520
Contractual Services	956,122	1,167,833	1,103,230	1,145,446	3.8%	42,216
Equipment	9,776	34,740	95,410	103,318	8.3%	7,908
Fringe Benefits	639,570	661,741	512,828	697,272	36.0%	184,444
Operating Costs	204,731	787,661	1,217,397	1,347,380	10.7%	129,983
Salaries and Wages	2,716,804	2,764,278	2,418,511	2,451,202	1.4%	32,691
Total for Enterprise Funds	4,527,003	5,419,873	5,373,376	5,771,138	7.4%	397,762
General Fund - City						
Capital Outlay	3,810	0	0	0	0.0%	0
Contractual Services	653,893	899,256	1,095,906	920,108		-175,798
Equipment	40,064	93,349	114,665	110,022	-4.0%	-4,643
Fringe Benefits	828,139	849,873	1,526,075	1,581,681	3.6%	55,606
Operating Costs	147,136	-583,841	-3,152,688	-3,436,235	9.0%	-283,547
Salaries and Wages	3,953,446	4,262,121	6,204,302	6,663,803	7.4%	459,501
Total for General Fund - City	5,626,488	5,520,757	5,788,260	5,839,379	0.9%	51,119
Internal Service Funds						
Contractual Services	617,431	690,838	733,899	748,577		14,678
Equipment	0	24,001	5,000	5,100		100
Fringe Benefits	295,730	318,312	137,501	188,414		50,913
Operating Costs	52,059	115,643	1,061,183	1,184,969	11.7%	123,786
Salaries and Wages	1,158,041	1,240,658	582,281	581,645	-0.1%	-636
Total for Internal Service Funds	2,123,261	2,389,452	2,519,864	2,708,705	7.5%	188,841
Special Revenue Funds						
Capital Outlay	0	0	1,165	1,188		23
Contractual Services	30,709	218	111,296	119,337	7.2%	8,041
Fringe Benefits	119,581	115,989	95,831	90,601	-5.5%	-5,230
Operating Costs	3,154	1,516	268,486	300,806	12.0%	32,320
Salaries and Wages	504,661	532,652	413,026	358,191	-13.3%	-54,835
Total for Special Revenue Funds	658,105	650,375	889,804	870,123	-2.2%	-19,681
Total for FINANCE DEPARTMENT	13,432,290	14,492,347	15,827,102	16,202,974	2.4%	375,872

FINANCE DEPARTMENT Revenue Information

Enterprise Eunde	2000 2001 Adopted Ad		2003 Adopted Budget	% Change 2002 to 2003	Change 2002 to 2003	
Enterprise Funds Charges for Sales	792	362	0	0	0.0%	0
Charges for Service	3,372,991	3,772,517	3,817,897	4,362,850		544,953
Local Government	3,750	0	0	0	0.0%	0
Other Misc Revenues	80	200	0	0	0.0%	0
Total for Enterprise Funds	3,377,614	3,773,079	3,817,897	4,362,850	14.3%	544,953
General Fund - City						
Charges for Sales	178	143	0	0	0.0%	0
Charges for Service	89,911	125,716	86,700	86,700	0.0%	0
Interest	49,026	77,250	33,600	33,600	0.0%	0
Local Government	11,250	15,000	15,000	15,000	0.0%	0
Other Misc Revenues	54,925	24,456	1,500	1,500	0.0%	0
Total for General Fund - City	205,290	242,565	136,800	136,800	0.0%	0
Internal Service Funds						
Charges for Service	249,737	326,671	327,000	342,068	4.6%	15,068
Other Misc Revenues	0	0	19,329	19,329	0.0%	0
Total for Internal Service Funds	249,737	326,671	346,329	361,397	4.4%	15,068
Special Revenue Funds						
Contributions	1,630	-1	0	0	0.0%	0
Total for Special Revenue Funds	1,630	-1	0	0	0.0%	0
Total for FINANCE DEPARTMENT	3,834,271	4,342,314	4,301,026	4,861,047	13.0%	560,021

	2000 Actual	2001 Actual	2002 Adopted Budget	2003 Adopted Budget	% Change 2002 to 2003	Change 2002 to 2003
CONTROLLER DIVISION						
Capital Projects						
Contractual Services	3,050	-294	0	0	0.0%	0
Equipment	1,770	0	0	0	0.0%	0
Fringe Benefits	90,891	32,223	0	0	0.0%	0
Operating Costs	1,874	23	0	0	0.0%	0
Salaries and Wages	371,329	93,799	0	0	0.0%	0
Total for Capital Projects	468,914	125,750	0	0		0
Enterprise Funds						
Contractual Services	22,075	-228	0	0	0.0%	0
Fringe Benefits	207,704	195,951	0	66,088	0.0%	66,088
Operating Costs	2,958	655,284	0	0	0.0%	0
Salaries and Wages	783,087	707,933	0	0	0.0%	0
Total for Enterprise Funds	1,015,824	1,558,941	0	66,088		66,088
General Fund - City						
Contractual Services	42,061	499,463	485,000	436,700	-10.0%	-48,300
Equipment	-94	0	0	0	0.0%	0
Fringe Benefits	263,508	377,368	1,012,827	965,645	-4.7%	-47,182
Operating Costs	6,880	-711,869	30,300	30,906	2.0%	606
Salaries and Wages	1,200,774	1,818,511	4,345,925	3,982,347	-8.4%	-363,578
Total for General Fund - City	1,513,129	1,983,472	5,874,052	5,415,598	-7.8%	-458,454
Internal Service Funds						
Contractual Services	23,304	-125	0	0	0.0%	0
Fringe Benefits	176,259	156,230	0	49,170	0.0%	49,170
Operating Costs	525	75,293	0	0	0.0%	0
Salaries and Wages	642,816	524,691	0	0	0.0%	0
Total for Internal Service Funds	842,904	756,090	0	49,170		49,170
Special Revenue Funds						
Contractual Services	673	218	6,964	7,103		139
Fringe Benefits	109,460	70,316	71,536	75,924		4,388
Operating Costs	1,641	5	154	158		4
Salaries and Wages	453,354	312,803	318,110	292,390		-25,720
Total for Special Revenue Funds	565,127	383,342	396,764	375,575	-5.3%	-21,189
Total for CONTROLLER DIVISION	4,405,898	4,807,595	6,270,816	5,906,431	-5.8%	-364,385
EXECUTIVE						
Capital Projects						
Fringe Benefits	1,387	144	0	0	0.0%	0
Operating Costs	2,720	2,719	3,663	0	-100.0%	-3,663
Salaries and Wages	8,146	932	0	0	0.0%	0
Total for Capital Projects	12,253	3,795	3,663	0	-100.0%	-3,663
Enterprise Funds						
Fringe Benefits	1,309	144	0	0		0
City of Minneapolis					2003 Adopte	d Budget

	2000 Actual	2001 Actual	2002 Adopted Budget	2003 Adopted Budget	% Change 2002 to 2003	Change 2002 to 2003
EXECUTIVE						
Enterprise Funds						
Operating Costs	31,720	31,718	42,725	44,434	4.0%	1,709
Salaries and Wages	7,684	932	0	0	0.0%	0
Total for Enterprise Funds	40,713	32,795	42,725	44,434	4.0%	1,709
General Fund - City						
Contractual Services	91,025	66,634	56,608	56,624	0.0%	16
Equipment	1,567	0	2,000	2,040	2.0%	40
Fringe Benefits	48,510	37,237	28,159	30,342	7.8%	2,183
Operating Costs	37,548	39,321	54,891	57,901	5.5%	3,010
Salaries and Wages	283,316	215,329	146,707	150,994	2.9%	4,287
Total for General Fund - City	461,966	358,521	288,365	297,901	3.3%	9,536
Internal Service Funds						
Fringe Benefits	1,308	144	0	0	0.0%	0
Operating Costs	3,384	3,378	3,514	3,656	4.0%	142
Salaries and Wages	7,684	932	0	0	0.0%	0
Total for Internal Service Funds	12,376	4,454	3,514	3,656	4.0%	142
Special Revenue Funds						
Fringe Benefits	2,682	0	3,300	3,560	7.9%	260
Operating Costs	1,512	1,511	2,035	2,116	4.0%	81
Salaries and Wages	15,820	0	17,714	18,376	3.7%	662
Total for Special Revenue Funds	20,013	1,511	23,049	24,052	4.4%	1,003
Total for EXECUTIVE	547,321	401,075	361,316	370,043	2.4%	8,727
FINANCE DEPARTMENT						
General Fund - City						
Salaries and Wages	0	0	0	-58,000	0.0%	-58,000
Total for General Fund - City	0	0	0	-58,000		-58,000
Internal Service Funds						
Fringe Benefits	0	0	5,554	0	-100.0%	-5,554
Total for Internal Service Funds	0	0	5,554	0	-100.0%	-5,554
Special Revenue Funds						
Contractual Services	0	0	-5,702	0	-100.0%	5,702
Total for Special Revenue Funds	0	0	-5,702	0	-100.0%	5,702
Total for FINANCE DEPARTMENT	0	0	-148	-58,000	39,089.2%	-57,852
FINANCIAL SERVICES AND BUDGET						
Capital Projects						
Contractual Services	16,266	1	250,000	0	-100.0%	-250,000
Equipment	0	327	0	0	0.0%	0
Fringe Benefits	0	72,949	0	7,266	0.0%	7,266
Operating Costs	0	339	1,002,135	1,006,363	0.4%	4,228

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2003 Adopted Budget

City of Minneapolis

	2000 Actual	2001 Actual	2002 Adopted Budget	2003 Adopted Budget	% Change 2002 to 2003	Change 2002 to 2003
FINANCIAL SERVICES AND BUDGET						
Capital Projects						
Salaries and Wages	0	306,496	0	0	0.0%	0
Total for Capital Projects	16,266	380,113	1,252,135	1,013,629	-19.0%	-238,506
Enterprise Funds						
Contractual Services	32,566	0	0	0		0
Fringe Benefits	0	15,309	0	0		0
Operating Costs	0	0	1,040,122	1,165,704		125,582
Salaries and Wages	0	79,057	0	0	0.0%	0
Total for Enterprise Funds	32,566	94,366	1,040,122	1,165,704	12.1%	125,582
General Fund - City					/	
Contractual Services	159,769	113,742	304,804	293,429		-11,375
Equipment	1,816	91,382	94,400	96,288		1,888
Fringe Benefits	307,322	222,236	216,117	379,389		163,272
Operating Costs	42,705	41,565	-3,289,929	-3,570,280		-280,351
Salaries and Wages	1,512,281	1,172,754	681,738	1,678,748		997,010
Total for General Fund - City	2,023,894	1,641,678	-1,992,870	-1,122,426	-43.7%	870,444
Internal Service Funds Contractual Services	33,443	0	0	0	0.0%	0
				_		0
Fringe Benefits	0	35,683	1 026 014	1 1 1 0 0 1 2		122.020
Operating Costs	60	0	1,026,914	1,149,942		123,028
Salaries and Wages Total for Internal Service Funds	33,503	164,207 199,890	1,026,914	1,886 1,151,828		1,886 124,914
	33,303	133,030	1,020,314	1,101,020	12.270	124,514
Special Revenue Funds Capital Outlay	0	0	1,165	1,188	2.0%	23
Contractual Services	30,036	0	97,035	98,976		1,941
	3,481	0 44 4 7 9	13,998	•		
Fringe Benefits	3,401	41,478 0	•	2,370		-11,628
Operating Costs	17 001		264,397	296,594		32,197
Salaries and Wages Total for Special Revenue Funds	17,801 51,318	197,540 239,018	44,640 421,235	14,194 413,322		-30,446 -7,913
Total for FINANCIAL SERVICES AND BUDGET	2,157,547	2,555,065	1,747,536	2,622,057	50.0%	874,521
PROCUREMENT						
General Fund - City	2.040	0	0	0	0.00/	0
Capital Outlay	3,810	00.040	100.500	07.004		75.050
Contractual Services	226,990	96,248	103,563	27,604		-75,959
Equipment	36,775	1,967	6,800	122.910		-6,800
Fringe Benefits	108,606	115,473	145,165	132,819		-12,346
Operating Costs	21,481	16,203	25,075	17,723		-7,352
Salaries and Wages Total for General Fund - City	502,886 900,548	575,811 805,702	520,604 801,207	541,245 719,391		20,641 -81,816
•	300,340	000,702	001,207	113,331	-10.270	-01,010
Special Revenue Funds Contractual Services	0	0	12,999	13,258	2.0%	259
City of Minneapolis	,	•	,	-,	2003 Adopte	
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	2000 Actual	2001 Actual	2002 Adopted Budget	2003 Adopted Budget	% Change 2002 to 2003	Change 2002 to 2003
PROCUREMENT						
Special Revenue Funds						
Fringe Benefits	3,959	4,195	6,997	8,747	25.0%	1,750
Operating Costs	0	0	1,900	1,938	2.0%	38
Salaries and Wages	17,687	22,309	32,562	33,231	2.1%	669
Total for Special Revenue Funds	21,646	26,504	54,458	57,174	5.0%	2,716
Total for PROCUREMENT	922,194	832,206	855,665	776,565	-9.2%	-79,100
RISK MANAGEMENT Internal Service Funds						
Contractual Services	560,684	690,963	733,899	748,577	2.0%	14,678
Equipment	0	24,001	5,000	5,100	2.0%	100
Fringe Benefits	118,163	126,255	131,947	139,244	5.5%	7,297
Operating Costs	48,090	36,972	30,755	31,371	2.0%	616
Salaries and Wages	507,541	550,828	582,281	579,759	-0.4%	-2,522
Total for Internal Service Funds	1,234,477	1,429,019	1,483,882	1,504,051	1.4%	20,169
Total for RISK MANAGEMENT	1,234,477	1,429,019	1,483,882	1,504,051	1.4%	20,169
TREASURY						
Enterprise Funds						
Capital Outlay	0	0	0	26,520	0.0%	26,520
Contractual Services	18,317	25,798	22,319	1,145,446	5,032.2%	1,123,127
Equipment	0	0	450		22,859.6%	102,868
Fringe Benefits	28,258	35,288	512,357	631,184	23.2%	118,827
Operating Costs	2,545	2,749	4,550		2,916.3%	132,692
Salaries and Wages	138,852	155,095	2,060,883	2,451,202	18.9%	390,319
Total for Enterprise Funds	187,971	218,930	2,600,559	4,494,912	72.8%	1,894,353
General Fund - City	124.040	100 170	145 004	105 751	27 E0/	40 400
Contractual Services Equipment	134,048 0	123,170 0	145,931 11,465	105,751 11,694	-27.5% 2.0%	-40,180 229
Fringe Benefits	100,173	97,559	123,807	73,486	-40.6%	-50,321
Operating Costs	38,522	30,940	26,975	27,515	2.0%	540
Salaries and Wages	454,189	479,716	509,328	368,469	-27.7%	-140,859
Total for General Fund - City	726,931	731,384	817,506	586,915	-28.2%	-230,591
Total for TREASURY	914,903	950,314	3,418,065	5,081,827	48.7%	1,663,762
UTILITY BILLING						
Capital Projects						
Fringe Benefits	0	475	0	0	0.0%	0
Salaries and Wages	0	1,757	0	0	0.0%	0
Total for Capital Projects	0	2,232	0	0		0
Enterprise Funds						
Capital Outlay	0	3,621	26,000	0	-100.0%	-26,000

	2000 Actual	000 2001 Adopted Adopt		2003 Adopted Budget	% Change 2002 to 2003	Change 2002 to 2003
UTILITY BILLING						
Enterprise Funds						
Contractual Services	883,165	1,142,263	1,080,911	0	-100.0%	-1,080,911
Equipment	9,776	34,740	94,960	0	-100.0%	-94,960
Fringe Benefits	402,299	415,049	471	0	-100.0%	-471
Operating Costs	167,508	97,909	09 130,000 0		-100.0%	-130,000
Salaries and Wages	1,787,181	1,821,260	357,628	0	-100.0%	-357,628
Total for Enterprise Funds	3,249,929	3,514,841	1,689,970	0	-100.0%	-1,689,970
General Fund - City						
Fringe Benefits	21	0	0	0	0.0%	0
Total for General Fund - City	21	0	0	0		0
Total for UTILITY BILLING	3,249,950	3,517,073	1,689,970	0	-100.0%	-1,689,970
Total for FINANCE DEPARTMENT	13,432,290	14,492,347	15,827,102	16,202,974	2.4%	375,872

FINANCE Staffing Information

	2000	2001	2002 Adopted Budget	2003 Adopted Budget	% Change 2002 to 2003	Change 2002 to 2003
FTE's by Division						
Executive	7.00	6.00	2.00	2.00	0.00%	-
Treasury	62.00	61.00	61.00	61.00	0.00%	-
Procurement	9.00	9.00	12.50	10.00	-20.00%	(2.50)
Management Analysis ¹	5.00	5.00	5.50	-	-100.00%	(5.50)
Risk Management	11.00	11.00	10.00	10.00	0.00%	-
Financial Management and Budget ²	110.00	110.00	112.00	25.00	-77.68%	(87.00)
Controller	NA	NA	NA	92.00	NA	92.00
Total FTE's	204.00	202.00	203.00	200.00	-1.48%	(3.00)

¹Starting with the 2003 budget the FTE's in the Management Analysis Division (MAD) are allocated to the Financial Management and Budget Division.

² In 2002, the Financial Services and Budget Division became two separate Finance Divisons: Financial Management & Budget and Controller.